



Independent Electrical Contractors of New England, Inc.

TO: The Honorable Eileen Daily and Rep. Cam Staples
Members of the Appropriations Committee

From: Lisa Hutner, Executive Director

Date: February 9, 2009

Re: HB-6349, HB-6350, SB-815

The Independent Electrical Contractors of New England (IEC-NE) **strongly opposes HB-6349, which extends the sales tax to professional and occupational services and HB-6350, which eliminates exemptions to the sales tax.**

IEC-NE is concerned that extending the sales tax to a number of other services would put a tremendous financial burden on electrical contractors, who are already struggling in this economic downturn. Adding to the cost of doing business in Connecticut would make a bad situation worse. With both residential and commercial construction at an almost standstill and customers concerned about making ends meet, those of us in the electrical trades are facing some very challenging times. We are doing what we can to control our costs but are faced each year with increases in health insurance, unemployment compensation, workers' compensation and energy costs. Increasing sales taxes or other taxes affecting business could very well be the straw that breaks the camel's back.

If we are to help Connecticut move toward economic recovery, we cannot make it any more difficult or costly for small and midsize employers to do business in this state. Connecticut must reign in its spending and control costs to address the budget deficit. We respectfully urge you to reject these tax increases.

Relative to **SB-815, An Act Concerning a Moratorium on Tax Credits**, which eliminates numerous tax credits, including the apprenticeship training tax credit, we understand that some tax credits may have to be curtailed in order to address the budget deficit. The apprenticeship tax credit has been helpful in encouraging companies to employ and train apprentices by offsetting some of the training costs. If, however, the tax credit is eliminated, we urge lawmakers to ensure that it be eliminated across the board, for both union and non-union contractors, to ensure a level playing field.

The Independent Electrical Contractors of New England is the premier trade association representing Connecticut, Massachusetts and Rhode Island independent electrical contractors aggressively working with the industry to establish a free environment for merit shop -- a philosophy that promotes the concept of free enterprise, open competition and economic opportunity for all.

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